

INSURANCE AND PREJUDICE CHARGED TO SERVICE BOARD MEMBERS BY B. R. T. HEAD

Not One Qualified for Duties
of His Office," Williams
Tells Probers.

EDUCATED IN OFFICE.

Only a Few Were "Intellectually Dishonest and Mentally Invertebrate."

Nothing attack on the personnel, past and present, of the Public Service Commission in the First District, made by President Williams of the Brooklyn Rapid Transit Company at the Joint Legislative Committee's hearing on the commission and its work.

Mr. Williams in a letter which he read said that not one of the Commissioners had been qualified for the work he had to do and referred to a few of them as "intellectually dishonest and mentally invertebrate."

Without any attempt to say of the gentlemen who have composed the Public Service Commission in the First District, he said the statement is indelicate and not one of them from the commission of the Commission in 1907 to the present time has had at the time of his appointment any administrative or technical experience which would qualify him for the duties of an office.

"They have been men of known means and industry but they have had to be educated while in office. The commission has been supplied by temporary or mental invertebrates which admitted them to the commission and intelligent decisions."

The result of this situation have been preposterous, indecent and some cases serious maladministration by orders based upon either personal prejudice or lack of moral character.

Fortunately the graft in public office has largely disappeared, but the place has sometimes been, too recently of late, the office-holder who is intellectually dishonest and mentally invertebrate. He has no conscience, or if he has any is afraid to express them unless they are against him.

"I am glad to say that men of this type have been and are the exception in the Public Service Commission, but their influence on the actions of the commission has been dominant. It is absurd to assume that five men officers giving necessary intelligent consideration to these matters and being all without practical experience can do so without making a mistake in a manner satisfactory to the public."

The result of the attempt, with the aid of penalties if orders are violated, to make the railroad operators be intellectually dishonest and mentally invertebrate. He has no conscience, or if he has any is afraid to express them unless they are against him.

A decided "punch" was put into the testimony when William R. Head, chairman of the original commission appointed in 1907 by Gov. Wood, took the stand and related to the committee about Frederick W. Whitridge and the Third Avenue Railroad and their relations with the commission in his time.

When an answer to the attack upon the commission yesterday by Mr. Whitridge, who is President of the Third Avenue Railroad, was given, it was equally unconvincing.

Mr. Whitridge, "that preposterous" as a receiver of the Third Avenue Railroad, had taken no steps to recover \$21,000,000 taken from the road, on the ground that it had cost \$20,000 to effect reorganization.

When he said that "Mr. Williams" had "promoted that \$20,000,000" was the cost, I pointed out to him that it didn't seem too much to have been getting a salary of \$10,000 a year.

When Mr. Williams said indicating that the \$20,000,000 was yet another \$20,000,000, I pointed out to him that it didn't seem too much to have been getting a salary of \$10,000 a year.

own personality should receive credit."

Col. Hayward—Did not the commission take any steps to compel reorganization?

Mr. Williams—The matter was considered very carefully and gravely by us, but we had no power to bring suit for the recovery of moneys due corporations. We did think enough of the matter, however, to send a copy of the testimony every night, page by page, to the District Attorney. But he took no action.

Chairman Thompson—It seems to me you speak very easily down here about some like \$21,000,000.

Mr. Williams—Well, it may have been easy money for somebody.

In the face of reports to the contrary, it was said authoritatively today that the Legislative Committee would not report to Gov. Whitman that the Public Service Commission had been found to be inefficient. The only reply to the Governor's letter will be the transmission to him of the record of testimony taken before the commission.

Both Low was the first witness called today to give his views as to the functions of the Public Service Commission. He said:

"Construction work in and about the city belongs more to the city than to the Public Service Commission. The latter should be a regulating body. I believe a solution of some of the present problems would be to empower the Board of Estimate to name a member to sit on the Public Service Commission."

George M. Cortelyou, President of the Consolidated Gas Company, said he believed the present Public Service Law to be adequate. He favored, however, the transfer of some of the franchises granting powers now vested in the Board of Estimate to the commission.

The committee decided to hold its second executive session during the luncheon at a nearby restaurant.

Shortly after 3 o'clock President Thompson of the Interborough took the stand.

Two results of this situation have been preposterous, indecent and some cases serious maladministration by orders based upon either personal prejudice or lack of moral character.

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REID DECLARES LAMAR TRIED A HOLDUP ON R. I.

Tells Commerce Board 'Wolf'
Said He Could Stop Congress Action Against Road.

WASHINGTON, Feb. 25.—The name of David Lamar, the Wolf of Wall Street, was injected into the investigation which the Interstate Commerce Commission is conducting into the affairs of the Rock Island Railroad by Daniel G. Reid during the course of his testimony this morning. Mr. Reid broadly intimating that Lamar tried to hold him up by threatening a Congressional investigation.

After Mr. Reid had finished his direct examination by Counsel Folk, Robert Walker, representing the Chicago, Rock Island and Pacific Railroad, asked:

"From whom did you first hear of this investigation?"

"From David Lamar," said Reid, and explained that another person had come to him three times seeking to arrange for a meeting with David Lamar. Finally, Reid said, he told the intermediary that he didn't care to talk to Lamar at any time on any subject. However, he said, Lamar sent a message to him to the effect that a speech was to be made in Congress on Rock Island and that it could be stopped.

Gov. Folk objected, saying the activities of no "person as disreputable as Lamar" were pertinent to the investigation.

Congressman Green of Iowa, who is taking an active part in the inquiry, stated that he was willing that Reid should testify on the point if he were allowed later to testify in answer.

The Congressional Record was introduced to show the introduction of the resolution calling for the Rock Island inquiry and Representative Green's speech in support of it.

During the hearing to-day Reid caused frequent smiles by his nonchalant way of discussing millions. In one instance he referred to \$6,000,000 of common stock as "a little summat."

Counsel J. W. Folk asked for details of the transaction by which Reid, with W. B. Leeds and the Moore Brothers, formed the big Rock Island consolidation with \$375,000,000 of securities against it.

"What did you say?" Folk asked. "Governor, that's fourteen years ago," Reid replied, "and I've been in several things since then. I don't keep books on such things."

"What do you with the records?" "Destroy them."

"By fire?" "Yes, burn them."

"Each month?" "Yes, each month."

Later, when asked concerning the lying of Central Nebraska railroad stock from C. H. Vanner, Reid said he did not know anything about it but approved anything or that kind done by Robert Mathers.

"You mean it was such a small amount?" asked Folk. "Small when you consider that we handled a billion in fourteen years," Reid said.

When the matter of the Trinity and Bracon Valley railroad was brought up, Reid declared:

"I wouldn't accept control of any Western or Northwestern road now as a present—if I had to operate it for ten years."

"What has made the situation worse—the taking in of worthless securities?" inquired Folk. "My dear Governor," said Reid, "that's a small matter when you consider how rates have been reduced and expenses increased. Everything is up—wages are higher, taxes are higher."

"You complain of wages being higher?" "I don't complain of that but of what we get to pay wages but."

"Let's take the wages at the other end," said Folk. "You paid Mr. Loree \$100,000, as President; Mr. Mudge \$80,000, as Vice-President; R. C. Cable \$125,000; L. L. Lusk \$100,000; B. L. Winehall \$100,000; B. F. Yeakum \$100,000; R. A. Jackson \$100,000; You, yourself, \$125,000. Warren got \$100,000. Mr. Purdy \$125,000, and two years future salary when he left the company's employ. Don't you think these could have been reduced?"

"A man who can run 3,000 miles of railroad is worth all he can get," declared Reid. He said he did not think a man had been paid too much. Business was for local account entirely and price changes were narrow.

Reid agreed that \$7,500,000 debentures resulting from the Frisco deal, carried on the books as an asset, were "practically worthless."

"Why did you buy the Rock Island?" was one question.

"Well, speaking for myself, because I was foolish."

"It's a railroad to-day—without much money," Reid asserted presently. He said it is now one of the best in the West. It was revealed that he resigned as a director two months ago, but still is a director in the United States Steel Corporation, the Lehigh Railroad, American Can Company, Bankers' Trust Company, Guaranty Trust Company, Astor Trust Company and Liberty National Bank.

NEW YORK COTTON MARKET.
Market opened steady. Traders were somewhat perplexed regarding effect of new business for local account entirely and price changes were narrow.

WALL STREET.

Stock market was active in first hour, showing advances extending over a point at end of first hour. Union Pacific gained 1 1/2 and some of the pool specialties were advanced with general list. New York Central and Canadian Pacific were raised in second hour, losing over 1 1/2 points, trading was light and market very dull in early part of afternoon. New Haven advanced 2 to 4 1/2 in last hour and general list held strong up to the close, showing advances for the day.

The Closing Quotations.

With no change from previous closing.

Stock	High	Low	Close	Change
Algonquin	100	98	99	+
Am. Can.	100	98	99	+
Am. Express	100	98	99	+
Am. Ice	100	98	99	+
Am. Oil	100	98	99	+
Am. Sugar	100	98	99	+
Am. Tobacco	100	98	99	+
Am. Tea	100	98	99	+
Am. Wine	100	98	99	+
Am. Zinc	100	98	99	+
Am. Copper	100	98	99	+
Am. Lead	100	98	99	+
Am. Tin	100	98	99	+
Am. Silver	100	98	99	+
Am. Gold	100	98	99	+
Am. Platinum	100	98	99	+
Am. Palladium	100	98	99	+
Am. Nickel	100	98	99	+
Am. Iron	100	98	99	+
Am. Steel	100	98	99	+
Am. Coal	100	98	99	+
Am. Lumber	100	98	99	+
Am. Paper	100	98	99	+
Am. Textile	100	98	99	+
Am. Rubber	100	98	99	+
Am. Glass	100	98	99	+
Am. Pottery	100	98	99	+
Am. Brick	100	98	99	+
Am. Cement	100	98	99	+
Am. Lime	100	98	99	+
Am. Soda	100	98	99	+
Am. Salt	100	98	99	+
Am. Sugar	100	98	99	+
Am. Coffee	100	98	99	+
Am. Tea	100	98	99	+
Am. Spice	100	98	99	+
Am. Fruit	100	98	99	+
Am. Vegetable	100	98	99	+
Am. Grain	100	98	99	+
Am. Oil	100	98	99	+
Am. Gas	100	98	99	+
Am. Water	100	98	99	+
Am. Electric	100	98	99	+
Am. Telephone	100	98	99	+
Am. Telegraph	100	98	99	+
Am. Cable	100	98	99	+
Am. Radio	100	98	99	+
Am. Motion Picture	100	98	99	+
Am. Book	100	98	99	+
Am. Paper	100	98	99	+
Am. Textile	100	98	99	+
Am. Rubber	100	98	99	+
Am. Glass	100	98	99	+
Am. Pottery	100	98	99	+
Am. Brick	100	98	99	+
Am. Cement	100	98	99	+
Am. Lime	100	98	99	+
Am. Soda	100	98	99	+
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